

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

Ameren Transmission Company of Illinois	:	
	:	
Petition for a Certificate of Public Convenience	:	
and Necessity, pursuant to Section 8-406.1 of	:	
the Illinois Public Utilities Act, and an Order:	:	
pursuant to Section 8-503 of the Public Utilities	:	No. 12-0598
Act, to Construct, Operate and Maintain a New	:	
High Voltage Electric Service Line and Related	:	
Facilities in the Counties of Adams, Brown, Cass,	:	
Champaign, Christian, Clark, Coles, Edgar,	:	
Fulton, Macon, Montgomery, Morgan, Moultrie,	:	
Pike, Sangamon, Schuyler, Scott, and Shelby,	:	
Illinois.	:	

**ATTACHMENT A TO INITIAL BRIEF ON EXCEPTIONS
OF THE MOULTRIE COUNTY PROPERTY OWNERS**

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July 18, 2013

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**PROPOSED LANGUAGE
PROPOSED ORDER - EXCEPTION # 1**

**PROPOSED LANGUAGE FOR APPROVAL OF ATXI/MCPO STIPULATED
ROUTE FROM PANA TO KANSAS, LOCATION OF MT. ZION SUBSTATION,
AND ALL OF THE MCPO ROUTE MZK**

Section VI.F. of the Proposed Order at Pages 83-85 should be modified to read as follows:

F. Pana - Kansas

Following the Pawnee to Pana segment, the Illinois Rivers Project reflects a 345 kV transmission line from Pana to a new proposed substation southwest of Mt. Zion. The transmission line would then run from Mt. Zion to a proposed substation near Kansas. ~~In light of the conclusion concerning the Pawnee to Pana segment, however, there is no need to address the route options for a transmission line between Pana and Mt. Zion at this time. If a direct transmission line between Pawnee and Mt. Zion is found to be appropriate, a link to Pana will not even be necessary.~~

Earlier in this proceeding, Staff and Moultrie PO questioned the need for a new substation outside of Mt. Zion. Staff has since rescinded its objections and Moultrie PO has entered into a stipulation with ATXI under which it will also not object to a new Mt. Zion substation. A question remains, however, as to the appropriate location for the Mt. Zion substation.

Staff contends that even though the 345 kV line will supply a 345/138 kV transformer near Mt. Zion, a preferable location for the Mt. Zion substation is further south - nearer a line between Pana and Kansas, as sought by the Village of Mt. Zion. Staff understands that the Village of Mt. Zion seeks an alternate substation site south of the site proposed by ATXI, specifically along Henry Road, on the east side of Section 28, rather than along Sulphur Springs Road, on the north side of Section 17, as ATXI proposes. Staff contends that it is more economical for AIC to extend two 138 kV lines further south to the 345 kV line than for ATXI to extend two 345 kV lines north to Mt. Zion. Staff explains that this is due to the fact that structure and hardware for 345 kV lines are more costly, and the required rights-of-way for 345 kV lines are wider and therefore more costly as well. Furthermore, Staff continues to believe that the location of the new Mt. Zion substation should be determined after simultaneously considering both the 345 kV line routing and the routing for the connecting 138 kV line to avoid difficult routing choices for the 138 kV connections.

As noted above, Staff witness Rockrohr explains that ATXI's exclusion of the 138 kV connections from the Illinois Rivers Project creates potential problems. First, since potential routes for AIC's 138 kV lines are not to be determined in this proceeding, Mr. Rockrohr is concerned that attendees of ATXI's public meetings are likely unaware of the possibility that ATXI or AIC might construct additional 138 kV transmission

structures and lines in the near future. Second, the location of ATXI's substations determines not only the proposed 345 kV route, but will also determine the route for any future 138 kV lines to be constructed in order to connect AIC's existing 138 kV system to ATXI's proposed substations. Since the landowners who might be affected by the location of those 138 kV lines and structures may not have known that ATXI's proposals might affect them, Staff fears that there would be no reason for them to attend the public meetings for this proceeding because they are not along ATXI's proposed 345 kV transmission line routes. Staff maintains that it, ATXI, intervening parties, and the Commission should be able to consider information about possible routing for both 345 kV and 138 kV transmission lines, not only the 345 kV lines. Mr. Rockrohr asserts that it is possible that the public could have provided ATXI with important information regarding potential 138 kV routes that could have caused ATXI to select a different substation site entirely. Since, in most cases, ATXI proposes that two transmission line segments connect to each of its proposed substation sites, Staff points out that any change in the location of a substation site would require both segments that connect to the substation site to have routes other than the routes that ATXI is proposing. For these reasons, ATXI's exclusion of the 138 kV connections could lead to some decisions on substation siting and 345 kV line routing in this proceeding that are made with incomplete information, resulting in unnecessarily difficult route selections for the 138 kV connecting lines in future proceedings.

ATXI and MCPO argues that Staff's proposal is inferior from a reliability standpoint. ATXI states that it performed a preliminary analysis to determine if the proposed relocation of the Mt. Zion substation farther south along a hypothetical Pana substation to Kansas substation 345 kV line, coupled with two 138 kV lines extending northward to the Mt. Zion PPG substation, is a viable option to address the future reliability issues in the Decatur area. ATXI reports that the analysis indicated that a Mt. Zion south substation with two longer 138 kV lines connected to the Mt. Zion PPG substation did not address the future Decatur reliability concerns as effectively as the ATXI proposal. Due to the increased impedance of the long 138 kV lines, ATXI states that the voltage support provided by a Mt. Zion south substation is inadequate to return certain post-contingency voltages above the 95% threshold. The voltage issues would become even more severe than indicated, ATXI continues, when expected additional Archer Daniels Midland Company load is served. Furthermore, the proposed location of the substation lends itself to its inclusion as part of a 345 kV ring around Decatur to address future reliability concerns is justified by load growth in that area. For these reasons, ATXI asserts that relocating the proposed Mt. Zion substation farther south as suggested by Staff is not a viable solution due to the future reliability issues in the Decatur area. As for the location of future 138 kV lines connecting to a new Mt. Zion substation, ATXI believes that landowners attending the open houses were generally aware ATXI's future needs.

MISO is concerned about any delay in the construction of the Illinois Rivers Project. According to MISO witness Webb, any delay would be detrimental to providing the intended benefits to Illinois and the MISO region. Mr. Webb testifies that the Mt. Zion substation should be in service in 2016. MISO seems to suggest that because its

planning process was very thorough there could be no other viable options and the resulting project must be approved to meet the time table that it and ATXI has established.

The Commission has considered the competing concerns of the parties regarding the location of a new Mt. Zion substation and finds Staff's argument ~~most~~ less persuasive. ~~Although t~~The Commission agrees that a new substation in the Mt. Zion area is necessary, exactly where and that substation should be located close to the Decatur electrical load for the reason identified by ATXI and MCPO in order to efficiently address the reliability issues in the Decatur area as intended. ~~is less certain. The record reflects that the new substation, wherever it is built, will include a 345/138 kV transformer, therefore there will be at least one 138 kV transmission line emanating from the new Mt. Zion substation. Specifying the location of the substation based solely on the location of one of the connecting 345 kV lines (that being the line from Kansas) without knowing where other connecting transmission lines will be coming from (the aforementioned 138 kV line and the other 345 kV line from either Pawnee or Pana) would unreasonably restrict future efforts to site those other transmission lines.~~ Therefore the Commission will ~~not~~ approve ~~the ATXI a particular~~ location for ~~the a~~ new Mt. Zion area substation at this time. The Commission recognizes that MISO engaged in significant planning prior to the initiation of this docket and acknowledges MISO's concerns, ~~about delay, but can not simply abdicate its authority and responsibility to MISO. Acceptance of t~~The MISO process adds to the Commission's confidence that it is making the correct decision, but reliance exclusively on that process and its and results on blind faith would render the Commission's review a meaningless gesture and the Commission does not intend to suggest that the MISO process eliminates the need for Commission review of the location and siting of any portion of the IRP.

Given the approval of the need for the Mt. Zion substation and its location, the Commission will select a route for the Pana to Kansas segment of the IRP. Fortunately for ATXI, the uncertainty surrounding In addition, given the approval of the ATXI location of a new Mt. Zion substation the Commission will does not prohibit the Commission from selecting a route for the 345 kV line from Mt. Zion to Kansas. One of the three proposed routes between Mt. Zion and Kansas rises above the other two and really warrants selection regardless of the ultimate location of the Mt. Zion substation. The Commission will compare and contrast the three proposed routes below for Pana to Mt. Zion and Mt. Zion to Kansas.

A New Section VI.F.1. should be added at Page 85 of the Proposed Order to read as follows:

1. Pana – Mt. Zion

ATXI, MCPO, Staff and the Shelby County Land Owners support the Pana to Kansas route as part of the ATXI/MCPO Stipulated Route "Stipulated Route." The Stipulated Route will also resolve the concerns of Gan Properties, LLC.

Mr. Corzine is the only party opposing this route, but the route he proposes in the alternative is not preferable.

The Stipulated Route represents the best route option from Pana to Mt. Zion for several reasons. It is shorter and costs approximately \$10 million less than ATXI's Alternate Route. It requires fewer angle structures and will therefore cost less than Mr. Corzine's Alternate Route following Highway 51. The Stipulated Route also impacts fewer landowners and residences than either ATXI's Alternate or the Highway 51 alternate route. Overall, the Stipulated Route is the preferred route from Pana to Mt. Zion to Kansas because it has fewer residential structures within 500 feet than any combination of ATXI's Proposed Routes from Pana to Mt. Zion to Kansas. Furthermore, it best reduces the potential for environmental impact, will require less tree removal and best reflects input received during this proceeding.

Mr. Corzine's proposed Highway 51 route, as acknowledged by Staff, is within very close proximity to several residences south of Assumption. This route would also require a significant increase in the number of angle structures, thereby increasing the cost of the route.

The Commission's analysis of the routing criteria discussed in the positions of the parties, above, produces the results displayed in the following table. A checkmark indicates that the route is favored with respect to the respective routing criteria.

PANA - MT. ZION		
Routing Factor:	Stipulated Route	Assumption Group / Corzine Highway 51 Route
<u>Length of Line</u>		✓
<u>Difficulty and Cost of Construction</u>	✓	
<u>Difficulty and Cost of Operation and Maintenance</u>		
<u>Environmental Impacts</u>	✓	
<u>Impacts on Historical Resources</u>	✓	
<u>Social and Land-Use Impacts</u>	✓	
<u>Number of Affected Landowners and Other Stakeholders, and Proximity to Homes and Other Structures</u>	✓	
<u>Proximity to Existing and Planned Development</u>		
<u>Community Acceptance</u>	✓	
<u>Visual Impact</u>		
<u>Presence of Existing Corridors</u>	✓	
<u>TOTAL:</u>	<u>7</u>	<u>1</u>

2. Commission Conclusion – Pana to Kansas

Having reviewed the evidence of record, and upon consideration of all relevant route selection criteria as described by the parties, the Commission finds that the criteria described above favor the Stipulated Route for the Pana-Mt. Zion portion of the Project over all other proposed routes. Therefore, the Commission finds that the Stipulated Route for the Pana-Mt. Zion portion of the Project is the least-cost route when all costs and benefits are taken into account.

.....

Section VI.F.7. of the Proposed Order should be modified at pages 97-99 to read as follows:

78. Commission Conclusion – Mt. Zion to Kansas

Before addressing the routing criteria, the Commission will address PDM Coalition's concerns regarding the path of the MZK Route. PDM Coalition asserts that the true intent of the route advanced by Moultrie PO is obvious: to avoid Moultrie County. The Commission acknowledges the possibility that PDM Coalition is entirely correct. Whether by design or accident, the manner in which the MZK Route

circumvents Moultrie County is undeniable. But at its heart, the nature of Moultrie PO's proposal can not be said to be any different from the proposals of other intervening landowners: to avoid the burden of a 345 kV transmission line on their land and other interests. While PDM Coalition may fear that ATXI's entry into a stipulation with Moultrie PO increases the odds of the MZK Route being adopted, the Commission assures all parties that each proposed route will be evaluated on its own merits regardless of any stipulations. Additionally, as for Moultrie PO's new support for a new Mt. Zion substation under the stipulation, Staff's support for a new substation carries weight regardless of the perception of why Moultrie PO supports the new substation.

With regard to line length, the Commission recognizes that the MZK Route is the longest of the three competing routes, making it the least preferred route in terms of length. But at the same time, the Commission also concurs with the analysis of ATXI and Moultrie PO regarding construction costs. ATXI and Moultrie PO accuse PDM Coalition of comparing apples to oranges in its cost analysis. The Commission is inclined to support this characterization and finds that the MZK Route has the lowest overall construction cost despite its length. In term of the difficulty of construction, operation, and maintenance, the Commission is aware that parallel transmission lines can cause problems, but if sufficient space is provided, such problems can be avoided or mitigated. Parallel lines are also not unique to the MZK Route. As noted elsewhere, parallel lines appear along approximately 19% of ATXI's preferred route. That being said, the difficulties associated with construction, operation, and maintenance of the three lines do not appear to vary significantly.

In terms of environmental impact, the Commission finds the environmental impact of the three routes comparable and therefore this criterion does not favor one route over the others. As for historical resources, the record is not exactly clear how many archeological sites are along the three routes. Of those that may exist, none appear to impair the ability to construct any of the three lines. The MZK Route, however, does appear to be marginally preferable in that it is roughly two miles further from the historical Amish areas near the proposed routes.

The predominant land use along the competing routes is agricultural in nature. The Commission anticipates that the impact of a transmission line through area farm fields would be comparable regardless of the particular route. The MZK Route affects the least amount of prime farmland while ATXI's Primary Route affects the greatest amount. Because the amount of farmland actually taken out of production depends on the placement of poles, it is not known which route which will directly impact the least amount of farmland. The Commission expects ATXI to fulfill its commitment to minimize the amount of land taken out of production when selecting locations for pole foundations. The Commission also expects ATXI to comply with its AIMA regardless of which route is chosen. PDM Coalition's complaint that ATXI could not comply with the AIMA if the MZK Route is chosen lacks support and carries little weight. Other impacts under this criterion concern two airstrips: the Tuscola Airport along the MZK Route and Mr. Reed's grass airstrip along ATXI's Primary Route. Whether Mr. Reed's airstrip would be usable if ATXI's Primary Route is chosen is not certain. With regard to the

Tuscola Airport, while the Commission does not take lightly the concerns of the airport owner, Moultrie PO's witness on this issue is persuasive. Construction of the MZK Route does not appear to be an impediment to the Tuscola Airport's continuing operation. Overall, the Commission finds that this criterion favors the MZK Route.

With regard to the number of residential and non-residential structures affected by the three routes, the MZK Route is the clear front runner. As reflected in the table above, only one residence is within 75 to 150 feet of the MZK Route centerline, while there are 12 and 17 residences within this distance of ATXI's Primary and Alternate Routes, respectively. As one moves further from the centerline of each route, the number of affected structures continue to favor the MZK Route. Existing and planned development does not appear to favor one route over another.

In considering the level of community acceptance, the Commission understands that none of the affected communities desire the construction of the 345 kV line near them. Several affected communities and stakeholders, however, have not intervened. PDM Coalition seems to suggest that such lack of involvement stems from a lack of notice to Piatt County and Douglas County residents. The record reflects, however, that ATXI held six public meetings in these two counties. Residents of Piatt County and Douglas County therefore had same initial notice of the Illinois Rivers Project as the residents of the other affected counties. Upon the filing of the MZK Route, affected landowners received notice from the Commission as well. Nothing prevented them from following this proceeding and intervening upon seeing that their interests may be affected. The level of support for/lack of opposition to the MZK Route at least marginally favors its adoption over ATXI's routes.

The degree of visual impact also favors the MZK Route. Undeniably, an overhead 345 kV transmission line can not be hidden. If one wishes to minimize its intrusion into the landscape for this segment of the Illinois Rivers Project, the best solution is to find similar linear features. ATXI Ex. 13.7, page 1 of 13, reflects existing transmission lines between Mt. Zion and Kansas. An existing 138 kV transmission line along nearly one quarter of the MZK Route is the most similar linear feature to the proposed 345 KV line. Running the two lines parallel to one another will minimize the 345 kV line's visual impact. This is not to say that a second line in the same area will have no visual impact. But rather so long as space permits, a second line in the same rural area of an existing line will have less visual impact than a transmission line in a rural area previously untouched by such structures. Because the record does not reflect any comparable linear features along ATXI's routes, the visual impact of a new 345 kV line along those routes would be greater. Had more time existed, other similar linear features may have been identified.

The presence of existing corridors is the final criterion addressed by the parties. Existing corridors such as roads and utility facility corridors are often useful to consider when selecting sites for future utility facilities. While it is not clear that ATXI's routes follow any existing utility facility corridors, the MZK Route, as noted above, follows an existing 138 kV line for nearly one quarter of its length. ATXI indicates as well that a

345 kV line corridor had been previously acquired elsewhere along the MZK Route. The record does not reflect whether any of the three routes are immediately adjacent to any other corridors. The Commission finds that this criterion favors the adoption of the MZK Route.

Upon consideration of all of the criteria, the Commission finds the MZK Route a part of the ATXI/MCPO Stipulated Route to be the least cost route for the Mt. Zion to Kansas segment of the Illinois Rivers Project. ~~But because, as discussed above, the location of the new Mt. Zion substation has not been approved, t~~The MZK Route is only approved from the existing Kansas substation west to the Mt. Zion substation. Macon County line. Stopping the line at the Macon County and Piatt County border at this time will provide sufficient flexibility to resume the line along an appropriate route once the location of the new Mt. Zion substation is identified. That portion of segment from the substation to the county border should be determined at the same time the substation location is determined.

**PROPOSED LANGUAGE
PROPOSED ORDER - EXCEPTION # 2**

**PROPOSED LANGUAGE FOR APPROVAL OF LOCATION OF MT. ZION
SUBSTATION AND ALL OF MCPO ROUTE MZK**

Section VI.F. of the Proposed Order at Pages 83-85 should be modified to read as follows:

F. Pana - Kansas

Following the Pawnee to Pana segment, the Illinois Rivers Project reflects a 345 kV transmission line from Pana to a new proposed substation southwest of Mt. Zion. The transmission line would then run from Mt. Zion to a proposed substation near Kansas. ~~In light of the conclusion concerning the Pawnee to Pana segment, however, there is no need to address the route options for a transmission line between Pana and Mt. Zion at this time. If a direct transmission line between Pawnee and Mt. Zion is found to be appropriate, a link to Pana will not even be necessary.~~

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As noted above, Staff witness Rockrohr explains that ATXI's exclusion of the 138 kV connections from the Illinois Rivers Project creates potential problems. First, since potential routes for AIC's 138 kV lines are not to be determined in this proceeding, Mr. Rockrohr is concerned that attendees of ATXI's public meetings are likely unaware of the possibility that ATXI or AIC might construct additional 138 kV transmission structures and lines in the near future. Second, the location of ATXI's substations

determines not only the proposed 345 kV route, but will also determine the route for any future 138 kV lines to be constructed in order to connect AIC's existing 138 kV system to ATXI's proposed substations. Since the landowners who might be affected by the location of those 138 kV lines and structures may not have known that ATXI's proposals might affect them, Staff fears that there would be no reason for them to attend the public meetings for this proceeding because they are not along ATXI's proposed 345 kV transmission line routes. Staff maintains that it, ATXI, intervening parties, and the Commission should be able to consider information about possible routing for both 345 kV and 138 kV transmission lines, not only the 345 kV lines. Mr. Rockrohr asserts that it is possible that the public could have provided ATXI with important information regarding potential 138 kV routes that could have caused ATXI to select a different substation site entirely. Since, in most cases, ATXI proposes that two transmission line segments connect to each of its proposed substation sites, Staff points out that any change in the location of a substation site would require both segments that connect to the substation site to have routes other than the routes that ATXI is proposing. For these reasons, ATXI's exclusion of the 138 kV connections could lead to some decisions on substation siting and 345 kV line routing in this proceeding that are made with incomplete information, resulting in unnecessarily difficult route selections for the 138 kV connecting lines in future proceedings.

ATXI and MCPO argues that Staff's proposal is inferior from a reliability standpoint. ATXI states that it performed a preliminary analysis to determine if the proposed relocation of the Mt. Zion substation farther south along a hypothetical Pana substation to Kansas substation 345 kV line, coupled with two 138 kV lines extending northward to the Mt. Zion PPG substation, is a viable option to address the future reliability issues in the Decatur area. ATXI reports that the analysis indicated that a Mt. Zion south substation with two longer 138 kV lines connected to the Mt. Zion PPG substation did not address the future Decatur reliability concerns as effectively as the ATXI proposal. Due to the increased impedance of the long 138 kV lines, ATXI states that the voltage support provided by a Mt. Zion south substation is inadequate to return certain post-contingency voltages above the 95% threshold. The voltage issues would become even more severe than indicated, ATXI continues, when expected additional Archer Daniels Midland Company load is served. Furthermore, the proposed location of the substation lends itself to its inclusion as part of a 345 kV ring around Decatur to address future reliability concerns is justified by load growth in that area. For these reasons, ATXI asserts that relocating the proposed Mt. Zion substation farther south as suggested by Staff is not a viable solution due to the future reliability issues in the Decatur area. As for the location of future 138 kV lines connecting to a new Mt. Zion substation, ATXI believes that landowners attending the open houses were generally aware ATXI's future needs.

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resulting project must be approved to meet the time table that it and ATXI has established.

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Section VI.F.7. of the Proposed Order should be modified at Pages 97-99 to read as follows:

7. Commission Conclusion

Before addressing the routing criteria, the Commission will address PDM Coalition's concerns regarding the path of the MZK Route. PDM Coalition asserts that the true intent of the route advanced by Moultrie PO is obvious: to avoid Moultrie County. The Commission acknowledges the possibility that PDM Coalition is entirely correct. Whether by design or accident, the manner in which the MZK Route

circumvents Moultrie County is undeniable. But at its heart, the nature of Moultrie PO's proposal can not be said to be any different from the proposals of other intervening landowners: to avoid the burden of a 345 kV transmission line on their land and other interests. While PDM Coalition may fear that ATXI's entry into a stipulation with Moultrie PO increases the odds of the MZK Route being adopted, the Commission assures all parties that each proposed route will be evaluated on its own merits regardless of any stipulations. Additionally, as for Moultrie PO's new support for a new Mt. Zion substation under the stipulation, Staff's support for a new substation carries weight regardless of the perception of why Moultrie PO supports the new substation.

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In terms of environmental impact, the Commission finds the environmental impact of the three routes comparable and therefore this criterion does not favor one route over the others. As for historical resources, the record is not exactly clear how many archeological sites are along the three routes. Of those that may exist, none appear to impair the ability to construct any of the three lines. The MZK Route, however, does appear to be marginally preferable in that it is roughly two miles further from the historical Amish areas near the proposed routes.

The predominant land use along the competing routes is agricultural in nature. The Commission anticipates that the impact of a transmission line through area farm fields would be comparable regardless of the particular route. The MZK Route affects the least amount of prime farmland while ATXI's Primary Route affects the greatest amount. Because the amount of farmland actually taken out of production depends on the placement of poles, it is not known which route which will directly impact the least amount of farmland. The Commission expects ATXI to fulfill its commitment to minimize the amount of land taken out of production when selecting locations for pole foundations. The Commission also expects ATXI to comply with its AIMA regardless of which route is chosen. PDM Coalition's complaint that ATXI could not comply with the AIMA if the MZK Route is chosen lacks support and carries little weight. Other impacts under this criterion concern two airstrips: the Tuscola Airport along the MZK Route and Mr. Reed's grass airstrip along ATXI's Primary Route. Whether Mr. Reed's airstrip would be usable if ATXI's Primary Route is chosen is not certain. With regard to the

Tuscola Airport, while the Commission does not take lightly the concerns of the airport owner, Moultrie PO's witness on this issue is persuasive. Construction of the MZK Route does not appear to be an impediment to the Tuscola Airport's continuing operation. Overall, the Commission finds that this criterion favors the MZK Route.

With regard to the number of residential and non-residential structures affected by the three routes, the MZK Route is the clear front runner. As reflected in the table above, only one residence is within 75 to 150 feet of the MZK Route centerline, while there are 12 and 17 residences within this distance of ATXI's Primary and Alternate Routes, respectively. As one moves further from the centerline of each route, the number of affected structures continue to favor the MZK Route. Existing and planned development does not appear to favor one route over another.

In considering the level of community acceptance, the Commission understands that none of the affected communities desire the construction of the 345 kV line near them. Several affected communities and stakeholders, however, have not intervened. PDM Coalition seems to suggest that such lack of involvement stems from a lack of notice to Piatt County and Douglas County residents. The record reflects, however, that ATXI held six public meetings in these two counties. Residents of Piatt County and Douglas County therefore had same initial notice of the Illinois Rivers Project as the residents of the other affected counties. Upon the filing of the MZK Route, affected landowners received notice from the Commission as well. Nothing prevented them from following this proceeding and intervening upon seeing that their interests may be affected. The level of support for/lack of opposition to the MZK Route at least marginally favors its adoption over ATXI's routes.

The degree of visual impact also favors the MZK Route. Undeniably, an overhead 345 kV transmission line can not be hidden. If one wishes to minimize its intrusion into the landscape for this segment of the Illinois Rivers Project, the best solution is to find similar linear features. ATXI Ex. 13.7, page 1 of 13, reflects existing transmission lines between Mt. Zion and Kansas. An existing 138 kV transmission line along nearly one quarter of the MZK Route is the most similar linear feature to the proposed 345 KV line. Running the two lines parallel to one another will minimize the 345 kV line's visual impact. This is not to say that a second line in the same area will have no visual impact. But rather so long as space permits, a second line in the same rural area of an existing line will have less visual impact than a transmission line in a rural area previously untouched by such structures. Because the record does not reflect any comparable linear features along ATXI's routes, the visual impact of a new 345 kV line along those routes would be greater. Had more time existed, other similar linear features may have been identified.

The presence of existing corridors is the final criterion addressed by the parties. Existing corridors such as roads and utility facility corridors are often useful to consider when selecting sites for future utility facilities. While it is not clear that ATXI's routes follow any existing utility facility corridors, the MZK Route, as noted above, follows an existing 138 kV line for nearly one quarter of its length. ATXI indicates as well that a

345 kV line corridor had been previously acquired elsewhere along the MZK Route. The record does not reflect whether any of the three routes are immediately adjacent to any other corridors. The Commission finds that this criterion favors the adoption of the MZK Route.

Upon consideration of all of the criteria, the Commission finds the MZK Route to be the least cost route for the Mt. Zion to Kansas segment of the Illinois Rivers Project. ~~But because, as discussed above, the location of the new Mt. Zion substation has not been approved, t~~The MZK Route is only approved from the existing Kansas substation west to the Mt. Zion substation. Macon County line. ~~Stopping the line at the Macon County and Piatt County border at this time will provide sufficient flexibility to resume the line along an appropriate route once the location of the new Mt. Zion substation is identified. That portion of segment from the substation to the county border should be determined at the same time the substation location is determined.~~

**PROPOSED LANGUAGE
PROPOSED ORDER - EXCEPTION # 3**

**PROPOSED ALTERNATE LANGUAGE FOR APPROVAL OF MCPO ROUTE MZK
FROM KANSAS TO THE MACON/PIATT COUNTY BORDER**

Section VI.F. of the Proposed Order at Pages 83-85 should be modified to read as follows:

F. Pana - Kansas

Following the Pawnee to Pana segment, the Illinois Rivers Project reflects a 345 kV transmission line from Pana to a new proposed substation southwest of Mt. Zion. The transmission line would then run from Mt. Zion to a proposed substation near Kansas. In light of the conclusion concerning the Pawnee to Pana segment, however, there is no need to address the route options for a transmission line between Pana and Mt. Zion at this time. If a direct transmission line between Pawnee and Mt. Zion is found to be appropriate, a link to Pana will not even be necessary.

Earlier in this proceeding, Staff and Moultrie PO questioned the need for a new substation outside of Mt. Zion. Staff has since rescinded its objections and Moultrie PO has entered into a stipulation with ATXI under which it will also not object to a new Mt. Zion substation. A question remains, however, as to the appropriate location for the Mt. Zion substation.

Staff contends that even though the 345 kV line will supply a 345/138 kV transformer near Mt. Zion, a preferable location for the Mt. Zion substation is further south - nearer a line between Pana and Kansas, as sought by the Village of Mt. Zion. Staff understands that the Village of Mt. Zion seeks an alternate substation site south of the site proposed by ATXI, specifically along Henry Road, on the east side of Section 28, rather than along Sulphur Springs Road, on the north side of Section 17, as ATXI proposes. Staff contends that it is more economical for AIC to extend two 138 kV lines further south to the 345 kV line than for ATXI to extend two 345 kV lines north to Mt. Zion. Staff explains that this is due to the fact that structure and hardware for 345 kV lines are more costly, and the required rights-of-way for 345 kV lines are wider and therefore more costly as well. Furthermore, Staff continues to believe that the location of the new Mt. Zion substation should be determined after simultaneously considering both the 345 kV line routing and the routing for the connecting 138 kV line to avoid difficult routing choices for the 138 kV connections.

As noted above, Staff witness Rockrohr explains that ATXI's exclusion of the 138 kV connections from the Illinois Rivers Project creates potential problems. First, since potential routes for AIC's 138 kV lines are not to be determined in this proceeding, Mr. Rockrohr is concerned that attendees of ATXI's public meetings are likely unaware of the possibility that ATXI or AIC might construct additional 138 kV transmission structures and lines in the near future. Second, the location of ATXI's substations

determines not only the proposed 345 kV route, but will also determine the route for any future 138 kV lines to be constructed in order to connect AIC's existing 138 kV system to ATXI's proposed substations. Since the landowners who might be affected by the location of those 138 kV lines and structures may not have known that ATXI's proposals might affect them, Staff fears that there would be no reason for them to attend the public meetings for this proceeding because they are not along ATXI's proposed 345 kV transmission line routes. Staff maintains that it, ATXI, intervening parties, and the Commission should be able to consider information about possible routing for both 345 kV and 138 kV transmission lines, not only the 345 kV lines. Mr. Rockrohr asserts that it is possible that the public could have provided ATXI with important information regarding potential 138 kV routes that could have caused ATXI to select a different substation site entirely. Since, in most cases, ATXI proposes that two transmission line segments connect to each of its proposed substation sites, Staff points out that any change in the location of a substation site would require both segments that connect to the substation site to have routes other than the routes that ATXI is proposing. For these reasons, ATXI's exclusion of the 138 kV connections could lead to some decisions on substation siting and 345 kV line routing in this proceeding that are made with incomplete information, resulting in unnecessarily difficult route selections for the 138 kV connecting lines in future proceedings.

ATXI argues that Staff's proposal is inferior from a reliability standpoint. ATXI states that it performed a preliminary analysis to determine if the proposed relocation of the Mt. Zion substation farther south along a hypothetical Pana substation to Kansas substation 345 kV line, coupled with two 138 kV lines extending northward to the Mt. Zion PPG substation, is a viable option to address the future reliability issues in the Decatur area. ATXI reports that the analysis indicated that a Mt. Zion south substation with two longer 138 kV lines connected to the Mt. Zion PPG substation did not address the future Decatur reliability concerns as effectively as the ATXI proposal. Due to the increased impedance of the long 138 kV lines, ATXI states that the voltage support provided by a Mt. Zion south substation is inadequate to return certain post-contingency voltages above the 95% threshold. The voltage issues would become even more severe than indicated, ATXI continues, when expected additional Archer Daniels Midland Company load is served. For these reasons, ATXI asserts that relocating the proposed Mt. Zion substation farther south as suggested by Staff is not a viable solution due to the future reliability issues in the Decatur area. As for the location of future 138 kV lines connecting to a new Mt. Zion substation, ATXI believes that landowners attending the open houses were generally aware ATXI's future needs.

MISO is concerned about any delay in the construction of the Illinois Rivers Project. According to MISO witness Webb, any delay would be detrimental to providing the intended benefits to Illinois and the MISO region. Mr. Webb testifies that the Mt. Zion substation should be in service in 2016. MISO seems to suggest that because its planning process was very thorough there could be no other viable options and the resulting project must be approved to meet the time table that it and ATXI has established.

The Commission has considered the competing concerns of the parties regarding the location of a new Mt. Zion substation and finds Staff's argument somewhat ~~most~~ persuasive. Although the Commission agrees that a new substation in the Mt. Zion area is necessary, exactly where that substation should be located is less certain. The record reflects that the new substation, wherever it is built, will include a 345/138 kV transformer, therefore there will be at least one 138 kV transmission line emanating from the new Mt. Zion substation. Specifying the location of the substation based solely on the location of one of the connecting 345 kV lines (that being the line from Kansas) without knowing where other connecting transmission lines will be coming from (the aforementioned 138 kV line and the other 345 kV line from either Pawnee or Pana) would unreasonably restrict future efforts to site those other transmission lines. Therefore the Commission will not approve a particular location for a new Mt. Zion area substation at this time. However, the record also reflects that the substation needs to remain in close proximity to the Decatur area to efficiently and effectively address reliability concerns. Because of the need to insure that reliability concerns in the Decatur area are addressed, the Commission rejects Staff's proposal to locate the substation 30 miles south of the ATXI proposed location. The Commission agrees the substation needs to remain in close proximity to Decatur as argued by ATXI and MCPO. The Commission recognizes that MISO engaged in significant planning prior to the initiation of this docket and acknowledges MISO's concerns about delay, but can not simply abdicate its authority and responsibility to MISO. Acceptance of the MISO process and results on blind faith would render the Commission's review a meaningless gesture.

Fortunately for ATXI, the uncertainty surrounding the location of a new Mt. Zion substation does not prohibit the Commission from selecting a route for the 345 kV line from Mt. Zion to Kansas. One of the three proposed routes between Mt. Zion and Kansas rises above the other two and warrants selection regardless of the ultimate location of the Mt. Zion substation. The Commission will compare and contrast the three proposed routes below.

Section VI.F. of the Proposed Order at Pages 97-99 should be modified to read as follows:

7. Commission Conclusion

Before addressing the routing criteria, the Commission will address PDM Coalition's concerns regarding the path of the MZK Route. PDM Coalition asserts that the true intent of the route advanced by Moultrie PO is obvious: to avoid Moultrie County. The Commission acknowledges the possibility that PDM Coalition is entirely correct. Whether by design or accident, the manner in which the MZK Route circumvents Moultrie County is undeniable. But at its heart, the nature of Moultrie PO's

proposal can not be said to be any different from the proposals of other intervening landowners: to avoid the burden of a 345 kV transmission line on their land and other interests. While PDM Coalition may fear that ATXI's entry into a stipulation with Moultrie PO increases the odds of the MZK Route being adopted, the Commission assures all parties that each proposed route will be evaluated on its own merits regardless of any stipulations. Additionally, as for Moultrie PO's new support for a new Mt. Zion substation under the stipulation, Staff's support for a new substation carries weight regardless of the perception of why Moultrie PO supports the new substation.

With regard to line length, the Commission recognizes that the MZK Route is the longest of the three competing routes, making it the least preferred route in terms of length. But at the same time, the Commission also concurs with the analysis of ATXI and Moultrie PO regarding construction costs. ATXI and Moultrie PO accuse PDM Coalition of comparing apples to oranges in its cost analysis. The Commission is inclined to support this characterization and finds that the MZK Route has the lowest overall construction cost despite its length. In term of the difficulty of construction, operation, and maintenance, the Commission is aware that parallel transmission lines can cause problems, but if sufficient space is provided, such problems can be avoided or mitigated. Parallel lines are also not unique to the MZK Route. As noted elsewhere, parallel lines appear along approximately 19% of ATXI's preferred route. That being said, the difficulties associated with construction, operation, and maintenance of the three lines do not appear to vary significantly.

In terms of environmental impact, the Commission finds the environmental impact of the three routes comparable and therefore this criterion does not favor one route over the others. As for historical resources, the record is not exactly clear how many archeological sites are along the three routes. Of those that may exist, none appear to impair the ability to construct any of the three lines. The MZK Route, however, does appear to be marginally preferable in that it is roughly two miles further from the historical Amish areas near the proposed routes.

The predominant land use along the competing routes is agricultural in nature. The Commission anticipates that the impact of a transmission line through area farm fields would be comparable regardless of the particular route. The MZK Route affects the least amount of prime farmland while ATXI's Primary Route affects the greatest amount. Because the amount of farmland actually taken out of production depends on the placement of poles, it is not known which route which will directly impact the least amount of farmland. The Commission expects ATXI to fulfill its commitment to minimize the amount of land taken out of production when selecting locations for pole foundations. The Commission also expects ATXI to comply with its AIMA regardless of which route is chosen. PDM Coalition's complaint that ATXI could not comply with the AIMA if the MZK Route is chosen lacks support and carries little weight. Other impacts under this criterion concern two airstrips: the Tuscola Airport along the MZK Route and Mr. Reed's grass airstrip along ATXI's Primary Route. Whether Mr. Reed's airstrip would be usable if ATXI's Primary Route is chosen is not certain. With regard to the Tuscola Airport, while the Commission does not take lightly the concerns of the airport

owner, Moultrie PO's witness on this issue is persuasive. Construction of the MZK Route does not appear to be an impediment to the Tuscola Airport's continuing operation. Overall, the Commission finds that this criterion favors the MZK Route.

With regard to the number of residential and non-residential structures affected by the three routes, the MZK Route is the clear front runner. As reflected in the table above, only one residence is within 75 to 150 feet of the MZK Route centerline, while there are 12 and 17 residences within this distance of ATXI's Primary and Alternate Routes, respectively. As one moves further from the centerline of each route, the number of affected structures continue to favor the MZK Route. Existing and planned development does not appear to favor one route over another.

In considering the level of community acceptance, the Commission understands that none of the affected communities desire the construction of the 345 kV line near them. Several affected communities and stakeholders, however, have not intervened. PDM Coalition seems to suggest that such lack of involvement stems from a lack of notice to Piatt County and Douglas County residents. The record reflects, however, that ATXI held six public meetings in these two counties. Residents of Piatt County and Douglas County therefore had same initial notice of the Illinois Rivers Project as the residents of the other affected counties. Upon the filing of the MZK Route, affected landowners received notice from the Commission as well. Nothing prevented them from following this proceeding and intervening upon seeing that their interests may be affected. The level of support for/lack of opposition to the MZK Route at least marginally favors its adoption over ATXI's routes.

The degree of visual impact also favors the MZK Route. Undeniably, an overhead 345 kV transmission line can not be hidden. If one wishes to minimize its intrusion into the landscape for this segment of the Illinois Rivers Project, the best solution is to find similar linear features. ATXI Ex. 13.7, page 1 of 13, reflects existing transmission lines between Mt. Zion and Kansas. An existing 138 kV transmission line along nearly one quarter of the MZK Route is the most similar linear feature to the proposed 345 KV line. Running the two lines parallel to one another will minimize the 345 kV line's visual impact. This is not to say that a second line in the same area will have no visual impact. But rather so long as space permits, a second line in the same rural area of an existing line will have less visual impact than a transmission line in a rural area previously untouched by such structures. Because the record does not reflect any comparable linear features along ATXI's routes, the visual impact of a new 345 kV line along those routes would be greater. Had more time existed, other similar linear features may have been identified.

The presence of existing corridors is the final criterion addressed by the parties. Existing corridors such as roads and utility facility corridors are often useful to consider when selecting sites for future utility facilities. While it is not clear that ATXI's routes follow any existing utility facility corridors, the MZK Route, as noted above, follows an existing 138 kV line for nearly one quarter of its length. ATXI indicates as well that a 345 kV line corridor had been previously acquired elsewhere along the MZK Route.

The record does not reflect whether any of the three routes are immediately adjacent to any other corridors. The Commission finds that this criterion favors the adoption of the MZK Route.

Upon consideration of all of the criteria, the Commission finds the MZK Route to be the least cost route for the Mt. Zion to Kansas segment of the Illinois Rivers Project. But because, as discussed above, the location of the new Mt. Zion substation has not been approved, the MZK Route is only approved from the existing Kansas substation west to the Macon County line. Stopping the line at the Macon County and Piatt County border at this time will provide sufficient flexibility to resume the line along an appropriate route once the location of the new Mt. Zion substation is identified. The Commission does not anticipate that it will be necessary to locate the substation any significant distance from the Decatur area and the portion of the MZK Route from Kansas to the Macon/Piatt County Border. That portion of segment from the Mt. Zion substation to the county border should be determined at the same time the Mt. Zion substation location is determined.

PROPOSED LANGUAGE FOR EXCEPTION # 1

PROPOSED LANGUAGE FOR MODIFICATION OF FINDINGS IF STIPULATED ROUTE OF PANA TO MT ZION, LOCATION OF MT ZION SUBSTATION AND ALL OF MCPO ROUTE MZK IS ADOPTED

SECTION X (4) (5) (6) AND (7) AT PAGE 132 OF THE PROPOSED ORDER SHOULD
BE MODIFIED TO READ AS FOLLOWS:

X. FINDINGS AND ORDERING PARAGRAPHS

Having given due consideration to the entire record, the Commission is of the
opinion and finds that:

* * * *

(4) the route for the transmission line segment between the Mississippi River
and Quincy, Quincy and Meredosia, Meredosia and Ipava, Meredosia and
Pawnee, Pana and Mt. Zion, Mt. Zion and Kansas, Kansas and the
Indiana state line; and Sidney and Rising should be approved along the
routes identified in the prefatory portion of this Order;

~~-(5) the route for the transmission line segment between Pawnee and Pana
and between Pana and Mt. Zion should not be approved in this
proceeding;~~

(6) the proposed new or expanded substations at Quincy, Meredosia, ~~and~~
Pawnee, Pana, and Mt. Zion should be approved at the locations identified
in the prefatory portion of this order;

(7) the proposed new or expanded substations at Ipava, ~~Pana, Mt. Zion~~,
Kansas, Sidney, and Rising should not be approved in this proceeding;

PROPOSED LANGUAGE FOR EXCEPTION # 2

PROPOSED LANGUAGE FOR MODIFICATION OF FINDINGS IF LOCATION OF MT ZION SUBSTATION AND ALL OF MCPOP ROUTE MZK IS ADOPTED

SECTION X. (6) AND (7) OF THE PROPOSED ORDER AT PAGE 132 SHOULD BE MODIFIED TO READ AS FOLLOWS:

X. FINDINGS AND ORDERING PARAGRAPHS

Having given due consideration to the entire record, the Commission is of the opinion and finds that:

* * * *

- (6) the proposed new or expanded substations at Quincy, Meredosia, ~~and Pawnee~~ and Mt. Zion should be approved at the locations identified in the prefatory portion of this order;
- (7) the proposed new or expanded substations at Ipava, Pana, ~~Mt. Zion~~, Kansas, Sidney, and Rising should not be approved in this proceeding;